

MINUTES
LAKE LANIER ISLANDS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
CONFERENCE ROOMS IV and V
LEGACY LODGE AND CONFERENCE CENTER – LAKE LANIER ISLANDS, GEORGIA

August 19, 2011 – 8:30 a.m.

BOARD MEMBERS PRESENT:

Mr. Lonice C. Barrett, Chairman
Mr. Craig Dowdy
Mr. Alan Gravel
Mrs. Connie Hagler
Mr. Wayne Jessup
Mr. John Kieffer
Mr. Richard Riley
Mr. Bob Whitley

STAFF:

Mr. Bill Donohue
Ms. Joy Hortman
Mr. Lee Smith
Ms. Marilyn Brown

ABSENT BOARD MEMBERS: Mr. John Gibb

VISITORS: Mr. Tom Calkins, LLIDA Legal Counsel, Hulsey, Oliver & Mahar, (Special Assistant to the Attorney General) (via telephone)
Mr. Michael Williams, Lake Lanier Islands Management Company, LLC
Mr. Grier Todd, Lake Lanier Islands Management Company, LLC

NOTE : All referenced materials were provided to Board members during the meeting.

I.&II. CALL TO ORDER AND APPROVAL OF AGENDA

Chairman Lonice Barrett called the meeting to order at 8:30 a.m. Mr. Whitley moved to approve the Agenda as presented; the motion was properly seconded and unanimously approved.

Chairman Barrett noted that new Board member Mr. Richard Riley was attending his first meeting, succeeding Mr. Hank Burnham whose term expired. He welcomed Mr. Riley, and said that he was pleased to add his expertise in marketing to the group. Mr. Riley expressed his pleasure at being a member of the Board; complimented the Williams Family for its vision in recognizing the Islands as the “crown jewel of North Georgia” and adding outstanding improvements to the property. He also mentioned that one of the founding visionaries of the Islands in the early 1960s – Mr. Sylvan Meyer -- had hired him for his first job at the Gainesville Times newspaper.

Mr. Wayne Jessup, the new member succeeding Mrs. Burns, commented that he was proud and honored to be a part of the group.

III. APPROVAL OF MINUTES OF 1) JUNE 17, 2011 LLIDA BOARD MEETING and 2) JUNE 16, 2011 INFRASTRUCTURE COMMITTEE MEETING

Mr. Whitley moved to approve Minutes of the 1) June 17, 2011 LLIDA Board of Directors Meeting and 2) June 16, 2011 Infrastructure Meeting as submitted; Mr. Kieffer seconded the motion and it passed unanimously.

IV. **ACTION ITEMS**

Chairman Barrett noted that the Infrastructure Committee (IC) reviews matters before presentation to the Board; its membership consists of Chairman Craig Dowdy and members Bill Donohue and Grier Todd. He stressed that all Board members' participation is welcome either in person or by telephone.

IC Chairman Dowdy also invited Board participation and asked that Mr. Bill Donohue report on Action Item #1 regarding Change Order #2 to Allied Paving.

1. **Final Change Order #3 to Allied Paving Contractors, Inc.**

Reference was made to 1) Mr. Donohue's memorandum dated August 12, 2011 regarding Change Order #3 – Allied Paving – Parking Lot Project; 2) the Change Order itself dated August 11, 2011; and 3) "Total Project Cost Allocation Summary".

Mr. Donohue explained, for the benefit of new Board members, that the lease agreement between LLIDA and LLIMC calls for LLIMC to identify, annually, high priority infrastructure items. He said that last fall, the project considered high priority was resurfacing and reconstruction of the five large Islands parking lots and the Board agreed to pursue the project.

He explained that in situations where benefits from an Islands element are shared by both parties and are not considered solely revenue producing elements – e.g., the parking lots -- a cost sharing allocation has been developed. IC Chairman Dowdy added that regarding the allocation of costs, one of the underlying criteria is that State money cannot be spent on revenue producing elements and in this case, the parking lots were doing both – the public is served and they are also used by guests using revenue producing items.

Mr. Donohue said that the parking lot work began in February 2011 and finished in late May 2011. He noted that the original contract amount was \$1,083,927.65. In referring to the Change Order provided, he discussed individual items and said this final Change Order accomplishes two things: 1) adjusts quantities to those actually installed and 2) adjusts final price by a reduction of (\$8,079.30). Legal Counsel Mr. Tom Calkins indicated approval of the Change Order.

Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to approve Change Order #3 in the amount of (\$8,079.30) to Allied Paving for final quantities actually installed on the Lake Lanier Islands Parking Lots. Mr. Gravel seconded the motion.

In answer to a question, it was stated that there is a 3-year warranty on most of the work in the parking lots project.

The motion passed unanimously.

3. **Authorization of Design Service Contract with Rochester and Associates for the Design, Plans, Specifications and Construction Management of the Amphitheater Infrastructure Improvement Project**

Mr. Donohue referred to 1) his memorandum dated August 12, 2011 regarding a Design Service Contract for the Amphitheater Infrastructure Project and 2) Proposal Letter to LLIDA from Rochester and Associates, Inc. re PRESENTATION POINT IMPROVEMENTS PROJECT (8 pages) plus Exhibits A through G.

Mr. Donohue explained that the 2011 Georgia Legislature voted to provide \$2 million in General Obligation funds to renovate and expand the Islands Amphitheater, and it was determined that these funds would be used to improve infrastructure that supports the Amphitheater.

Mr. Donohue's comments included the following points:

- \$2 million project fund will be used solely to improve the infrastructure supporting the Amphitheater, all of which is outside the Islands Entrance Gates and attracts a large number of visitors
- Proposals were received from 14 firms; reduced to 3 candidates; the Construction Division of the Georgia Department of Natural Resources (DNR) and the Georgia State Financing and Investment Commission (GSFI) provided assistance in selection process
 - Reasons for selecting Rochester and Associates were detailed
- All references to "green" in Rochester letter indicates possible extra projects, costs for which are detailed in Exhibit A
- Work outside scope of services discussed; could be opportunity for Islands to set standard for responsible conservation practices – especially because these improvements will be in the public area outside the Islands Entrance Gates

Mr. Dowdy moved to accept the recommendation of the Infrastructure Committee to approve the Design Service Contract with Rochester and Associates for the Amphitheater Infrastructure Project in an amount not to exceed \$208,760 (with the clarification that approximately \$40,000 could be used to address "green sustainable" options and that all the Board is committing to at this time are the extra hours required to consider those options); also, this action is conditional on approval of the contract by Legal Counsel; Mrs. Hagler seconded the motion.

In answer to a question, Mr. Donohue stated that Rochester and Associates currently has qualified staff to design the "green" elements being discussed.

The motion passed unanimously.

V. FINANCIAL REPORTS

Mr. Donohue referred to the May 2011 and June 2011 Financial Reports. For the benefit of new members, he explained the Financial Report format.

Mr. Dowdy moved to approve the May 2011 and June 2011 LLIDA Financial Reports as submitted; Mr. Gravel seconded the motion and it passed unanimously.

VI. DISCUSSION ITEMS

1. Samuel L. Oliver Memorial

IC Chairman Dowdy stated that the Infrastructure Committee gave consideration to ways in which to honor the late Samuel L. Oliver who served as LLIDA Legal Counsel from 1983 until his death in May 2011. He referred to his memorandum on the subject dated August 18, 2011 and Mr. Donohue's memorandum re memorial suggestions dated July 21, 2011. Also referenced were 1) a concept map with photos showing the potential location of a walking trail and plaque; 2) a detailed estimate showing costs for various proposed elements of a memorial; 3) a sample bronze plaque with appropriate verbiage and photograph.

Discussion included the following points:

-- if the idea of a memorial walking trail and scenic overlook with circular stone seating plaza were used, features could be added over time – possibly by his church, law firm or family

~ it was stressed that the family should be consulted and their views considered before a definite plan is developed

~ names of past Board members and Executive Directors could be included in such a memorial

~ Sam had great fondness for the outdoors and one of his favorite pastimes was reading, so providing a location where people could combine reading and enjoyment of the outdoors would be appropriate

-- manner in which the memorial would be funded

~ using money generated from a fund raising effort, a college scholarship in Sam's name – possibly in a hotel or culinary field, was suggested as an appropriate recognition of his contributions

~ In answer to a question, Legal Counsel stated it would be appropriate for the Authority to host a fund raising event like a golf tournament to generate revenue to cover the costs involved in a memorial

~ it was noted that several other entities such as LLIMC or the local Convention and Visitors Bureau (CVB) may be willing to organize fund raising events

~ if the memorial benefited and was used by the public, using Authority funds was considered proper

It was agreed that the ideas for a fitting memorial to Sam that were presented today were excellent.

It was the Board's consensus that the Infrastructure Committee continue to explore possibilities for a Samuel L. Oliver Memorial, add more detail to a proposal or proposals, and bring back to the Board at a future meeting.

2. Report by Executive Director (Mr. Bill Donohue)

Mr. Donohue referred to 1) his Executive Director's Report dated August 12, 2011; 2) a Georgia State Financing and Investment Commission (GSFIC) Bonds Proceeds Redirection Form and 3) a copy of a revised description of "Executive Director Duties and Responsibilities".

His comments included the following information:

- Parking Lots: Project is complete
- Forest Clean Up: Landscape architect to assist in forest clean up
- Trails: Work began on August 15; approximately 4,000 ft. completed during the first four days of work; crew is being fine tuned and skills developed
- Dock: Installation complete; a popular place; traffic is considerable and the construction of a public restroom is thought to be a good investment
- Fiber Optic: Final report expected in the next few weeks; AT&T has indicated they may pay for fiber installation based on resort's economic potential
- Amphitheater Project: Department of Natural Resources (DNR) has approved management agreement; per action earlier in this meeting, a contract for design services received Board approval
- Eagle Ranch: Dinner/Sunset Cruise hosted for 40 members of Eagle Ranch, a children's home located in Gainesville; considered an excellent operation deserving of community support
- Service to Military Veterans – It was noted that LLIDA and LLIMC are currently exploring ways in which Islands facilities could benefit military veterans; programs being used at veterans' hospitals could make use of outdoor therapeutic activities on the Islands
- Georgia Environmental Facilities Authority (GEFA): Monthly payments of \$110,105.85 begin September 1; LLIDA returned over \$850,000 to GEFA
- Annual Audit: Since forms/formats are designed for large State agencies, reporting LLIDA's data is somewhat difficult

- ~ Joy Hortman and Lee Smith were commended for their success in meeting report deadlines
- ~ Annual Audit Field Visit set for October 27

-- Lake Level: currently at 1066.02

Reference was made to the revised "Executive Director Duties and Responsibilities". *It was the Board's consensus that this job description would be satisfactory in its revised form once minor editing was completed.*

3. Report by Legal Counsel (Mr. Tom Calkins)

Mr. Calkins said his report had been provided during discussion of the Action Items and he had nothing further to share with the Board at this time.

4. Report by COO, Lake Lanier Islands Management Company, LLC (Mr. Grier Todd)

Mr. Todd welcomed Mr. Richard Riley to the Board, and again welcomed Mr. Wayne Jessup. He also commented that on behalf of the Williams Family, he wanted to express thanks for the service of Mr. Hank Burnham.

He told the Board that a friend of LLIMC and LLIDA – the Department of Natural Resources staff member Ronnie Phillips -- lost his son in an automobile accident yesterday (August 18).

Mr. Todd reported that LLIMC had a good solid first half of the year and that the month of June was good; however, in July some uncertainty in the market started to occur. He said that 80% of the hotel's business is corporate and this segment of business is greatly reducing its hotel based meetings.

With this background, Mr. Todd stated that LLIMC is revisiting its earlier request of approximately 18 months ago with a proposal to LLIDA outlining a change in the lease payment plan to a pro rata system rather than a fixed amount. He said under the new arrangement, payments to LLIDA would be lower during some months and higher in others, depending on LLIMC revenues. He said LLIMC would very much like to see such a change put in place in January 2012. He stressed that the amount actually paid to LLIDA would even out at the end of the Calendar Year.

Among points made during discussion were the following

-- When this proposal was originally submitted, it was determined that an amendment to the lease agreement would be required

- ~ It was stated that a U. S. Army Corps of Engineers Legal Staff Member had been consulted and it was his opinion that since the dollar amount of the lease would not be changed, the Corps of Engineers would not be impacted

~ Chairman Lonice Barrett recalled that a Board Lease Subcommittee consisting of Mr. Bob Whitley, Mr. John Kieffer and Mr. Alan Gravel had previously studied this issue. He said he was now asking this same Subcommittee, with the addition of Mr. Wayne Jessup, to once again consider the matter in light of any pertinent new information.

~ It was again noted that in order to grant LLIMC's request, the lease agreement would need to be changed, which would require the approval of the Department of Natural Resources and the U. S. Army Corps of Engineers

Chairman Barrett requested and received Board consensus that the matter again be explored by the subcommittee, and a report provided to the Board at a future meeting.

Mr. Todd said that a copy of LLIMC's request would be provided to members of the subcommittee today.

Additionally, among points made during Mr. Todd's report were the following:

-- Water Park now closed during the week; open weekends through mid September

-- In answer to a question, Mr. Todd said that 600 full time employees had been on staff during July

-- Two drownings had occurred – one at the Water Park and one off the shore of the Campgrounds

~ in answer to a question, Mr. Todd said that no drop-off in attendance had occurred after the drownings

-- In answer to a question, he stated that Sunset Cove has a steady clientele; Gianni's Restaurant now open evenings which attracts visitors; boat traffic has been maintained and there is also "drive in" traffic as well; entertainment is the key to attract people

-- Looking forward to a good fall season; noted that the challenging time of year for the Islands is not from now through November, but November through April

It was stated that during these challenging economic times, the Williams Family's dedication is greatly admired and appreciated.

VII. PUBLIC COMMENTS

1. RECOGNITION OF FORMER BOARD MEMBERS

Regarding recognition of past Board members' service, IC Chairman Craig Dowdy said that it had been suggested that a something other than the traditional framed resolution be offered. It was noted that an iconic photograph of the Islands, or collection of photographs might be appropriate. He said in reviewing available options, there were a number of new on-line services that offer a compilation of photos at a reasonable cost. He asked that any additional suggestions be submitted.

VIII. ADJOURNMENT

There being no further business, the meeting was properly adjourned at 10:14 A.M.

Lonice Barrett
Chairman
Lake Lanier Islands Development Authority

These Minutes were recorded
and transcribed by

Marilyn Brown
Assistant Secretary
Lake Lanier Islands Development Authority